FISCAL NOTE

HB 1910 - SB 2590

March 1, 2018

SUMMARY OF BILL: Prohibits a utility utilizing smart meters from charging a customer a fee or combination of fees for reconnection of utility services once such service has been disconnected for nonpayment.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 65-32-103, "utility" means any utility which furnishes electricity, gas, or water, or converts solid waste into heat, fuel, or energy.
- The proposed language would prevent municipal utilities which utilize smart meter devices from charging a fee or combination of fees to reconnect utility services for service which was cut off due to nonpayment.
- Pursuant to Tenn. Code Ann. § 7-34-115 municipal utility systems shall be operated on sound business principles as self-sufficient entities.
- It is unknown how many municipal utilities currently utilize smart meter devices and the extent of any fee currently charged to reconnect service which was disconnected for nonpayment; however, due to the self-sufficient manner in which municipal utilities are operated, any decrease in revenues will result in an increase in rates charged to customers to cover such losses of revenue; therefore, the net impact to local government is estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- It is unknown how many applicable non-municipally operated utility systems utilize smart meters and the extent of any rate charged for reconnection of service disconnected due to nonpayment; however, it is reasonably assumed that any non-municipally operated utility system which experiences a decrease in revenue will opt to increase rates

charged to customers in order to cover such losses; therefore, the net impact to commerce and jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Krista M. Lee, Executive Director

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